

RECORD OF PROCEEDINGS

Minutes of

Minutes of the Vermilion City Council Meeting

Meeting

BARRETT BROTHERS - DAYTON, OHIO

Form 6101

Held

Monday, February 3, 2020

Videos and minutes of council meetings are available to the public to view online at www.cityofvermillion.com under 'meetings' tab (City Meeting Minutes or Videos).

Vermilion City Council: Steve Herron, Council President; Monica Stark, Council at Large; Emily Skahen, Ward One; Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; G. Fisher, Certified Municipal Clerk. Absent: Brian Holmes, Ward Five

Administrative Staff: Mayor Jim Forthofer; Ken Stumphauzer, Law Director; Amy Hendricks, Finance Director; Tony Valerius, Service Director; Chris Howard, City Engineer

CALL TO ORDER:

Steve Herron, President of Council called the Monday, February 3, 2020 Vermilion City Council Meeting to order.

PLEDGE OF ALLEGIANCE:

The members of Council, administrative staff, and audience participants recited the Pledge of Allegiance; a moment of silence followed.

APPROVAL OF MINUTES:

S. Holovacs MOVED; F. Loucka seconded to approve the minutes of the January 6, 2020 meeting. Roll Call Vote 6 YEAS. MOTION CARRIED.

CORRESPONDENCE:

Steve Herron read a letter dated February 3, 2020 into the record from Mayor Forthofer asking Council to consider appointments to the various boards and commissions for terms beginning in 2020. The first recommendation was to appoint Jeff Hammerschmidt to the Vermilion Planning Commission to fill the unexpired term of Jim Pajk with the term ending December 31, 2022. The mayor recommended the appointment of Heidi Backus Riddle to the Vermilion Port Authority to fill the unexpired term of Brian Carrick with the term ending December 31, 2020. The next appointment of Philip Laurien is a new term to the Board of Zoning Appeals. Lastly, Mayor Forthofer recommended the appointment of Bill Gross to the Contractor Registration Board. This letter is on file in the clerk's office.

PRESIDENT OF COUNCIL'S REPORT: No report.

COMMITTEE REPORTS:

Legislative Committee:

M. Stark reported the next meeting has been scheduled for February 10, 2020 at 7:00 pm.

Vermilion Community Services Board:

M. Stark reported the next meeting will be held in April at the Ritter Library Endowment Room.

Utilities Committee:

F. Loucka reported on the meeting held January 13. The next meeting has been scheduled for February 10, 2020 at 7:00 pm.

Port Authority:

F. Loucka reported the next meeting has yet to be determined.

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Finance Committee:

B. Brady reported the next meeting has been scheduled for February 10, 2020 at 7:00 pm.

Planning Commission:

B. Brady reported the February meeting has been cancelled and the next meeting has been scheduled for March 4, 2020 at 7:00 pm.

Parks & Recreation:

The next meeting is scheduled for February 18, 2020 at 7:00 pm.

Stormwater Advisory Meeting:

S. Herron reported the next meeting is yet to be determined.

Historic Design & Review Board:

E. Skahen reported the February 5 meeting has been cancelled and the next meeting has been scheduled for March 4, 2020 at 6:00 pm.

Tree Commission:

E. Skahen reported the next meeting has been scheduled for February 12, 2020 at 9:30 am at the Ritter Public Library.

Streets, Buildings and Grounds Committee:

S. Holovacs reported the next meeting is scheduled for February 10, 2020 at 7:00 pm.

Contractors Registration Board of Examiners:

S. Holovacs reported on the meeting held January 28. The next meeting has been scheduled for February 25, 2020 at 6:00 pm.

Board of Zoning Appeals:

S. Holovacs reported on the meeting held January 28. The next meeting has been scheduled for February 25, 2020 at 6:00 pm.

MAYOR/SAFETY DIRECTOR'S REPORT:

Mayor Forthofer provided his submitted report as read into the record:

Mayor's Report:

Call Disruption

Tuesday January 14th, approximately 3:40 pm, Vermilion City's phone system was flooded with robo-calls in a foreign language. They paralyzed our phone system. Our main concern was VPD dispatch which was frozen but restored by Sgt. Reising. Richard Posywak, our LifeCare head IT person restored the rest of the City system but we lost email January 15th. At a monthly Lorain County Mayors meeting I learned that other communities had been cyber attacked but no flood of robo-calls.

Fire House Committee

The Firehouse 1 Committee met with Marker Construction Friday Jan 24th. Open bidding results were discussed. A revised cost estimate still under the \$4 million limit was also discussed. A construction schedule was presented. Site prep will begin February 24. Completion is still estimated to be November 2020. A busy summer of construction is planned.

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Main Street Beach Development

The Administration including Parks Board is working with Western Reserve Land Conservancy to source funding necessary to start work on the Main Street Beach Development Project. This is a project that has been nine years in the making and has included the dedicated hours of many citizens including Councilman Loucka. The Parks Board President and I have engaged residents who have alternative ideas for old Wakefield Property. As part of the Parks and Recreation Department, the new Main Street Beach Complex will run revenue neutral. It is planned to extend to from west of the old Inland Seas Museum to the Vermilion River and include public rest rooms, changing rooms, additional parking and a board walk. At this point, no request for City funds are planned.

Economic Development Seminar

January 16th, I attended the daylong seminar sponsored by Team NEO, in partnership with the Ohio Economic Development Association (OEDA). The seminar and workshop were built to help design economic development strategies and collaborate with other regional communities. The most productive was networking with organizations seeking sites for their businesses and industries.

New Prime Real-Estate on Liberty

Linwood Park Company has informed me that their lease client Burger King is vacating their lease. The last day for Burger King will be June 30th. The building will be torn down. The triangular property next door is also owned by Linwood Park. The small size of the triangular property has made it hard to market. But, combined with the old BK land, Linwood Park Company has 2.35 acres of prime marketable land on the corner of Liberty and Vermilion Road overlooking Dairy Dock and the Lagoons. Linwood is making arrangements with commercial property marketers and has asked me to help find a project beneficial to the City for this spot.

Clean up on Liberty

Another East Liberty Avenue Corridor cleanup is occurring. Kevin Boggs, owner of George's roofing has purchased the property at 2350 Liberty. That is 1.47 acres on the north side of Liberty between Hellen & Kishman Streets. Most know it as the blighted old blue multi-unit apartment building. Keven Boggs has acquired the property from the Lorain County Land Bank. He has cleared brush and cottonwood trees and will be demolishing the eyesore in the next 90 days. The building to the west will be renovated and turned into office space and a shop. He will clean up interior and exterior of the building. He hopes to occupy the improved facility by May 1.

The remaining land will house the company's vehicles and equipment. Vehicles and equipment will all be under cover. Mr. Boggs will also build to suit and would like to build small shops for aspiring tradesmen. The City will work with Kevin Boggs as he acquires the necessary permits and any necessary appearances before boards.

Downtown

Erie and Anchor opens shortly on the south east corner of Main Street and Liberty. They held a sneak preview of their high end nautical themed clothing this weekend. Downtown remains at almost 100% occupancy.

Ice Affair

Thank you to the volunteers of Main Street Vermilion for organizing an outstanding ICE AFFAIR last Saturday. Several restaurateurs comment that it's the best day of their year. The warmup party after ICE AFFAIR was a sellout. I did not win the cold cash but had a great time. As usual our volunteers put Vermilion on the map.

SERVICE DIRECTOR'S REPORT:

T. Valerius reported that a screw-lift at the Wastewater Treatment Plant went down last week. The screw-lift lifts the material from the sanitary sewers into the plant for treatment, and the steel shaft that drives the screw snapped. Currently, they are running on the secondary screw and they are using an 8" pump as backup. The primary screw should be repaired within the next couple of weeks.

He reported on the 2019 year-end totals for property maintenance and building inspections performed by the building department as follows:

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272 property maintenance violations, 215 garbage/debris violations; 161 exterior structure maintenance violations; 244 recreational vehicles/yard parking violations; 595 high grass violations; 179 non-compliant vehicle violations; 8 swimming pool violations; 17 homes occupied without water service; 127 no permit/no registration violations; 60 sidewalk violations; and, 139 miscellaneous property violations for a total of 2,017 property maintenance inspections in 2019. There were 497 residential building permits and 83 commercial building permits issued – which resulted in 823 building inspections performed. They had eight new homes built in the city, along with two new duplexes and two commercial buildings.

M. Stark asked the service director if he foresees staying within their budget or would he need to come before Council to acquire additional funding to fix the screw-lift. T. Valerius said he thinks they will be able to get it repaired within the budget.

FINANCE DIRECTOR'S REPORT:

Amy Hendricks reported on the following:

Tax Time

The Regional Income Tax Authority (RITA) is no longer providing paper forms to member municipalities. To file, residents may:

1. File electronically at www.ritaohio.com
2. Download and print forms from www.ritaohio.com
3. For assistance, call the automated line at 1-800-860-7482

RITA is now using a new processing that matches up W-2s that employers file with the IRS to addresses within RITA service areas. In recent years, they have discovered an increasing number of people who are not paying local income taxes. We have been providing the information below to people signing up or making changes to utility accounts as well as applying for building permits.

All residents of the City of Vermilion are required to pay local income tax of 1.5% on earned income. This tax is administered by the Regional Income Tax Agency (RITA).

Frequently Asked Questions:

1. *I work in another community that withholds income tax from my paycheck. Do I still pay City of Vermillion taxes?* YES! Please contact RITA to determine the amount you will owe based on the tax paid where you work. They will instruct you on how to make quarterly estimated payments. Some employers will withhold the additional amount for Vermillion and file it with RITA so check with your payroll office.
2. *Do township residents pay City of Vermillion income taxes?* MAYBE! Please confirm the specifics for your address:
 - a. Do you receive a billing for services from the city for any utility services, such as garbage? If so, you are subject to Vermillion income tax.
 - b. If unsure, verify your tax district by contacting RITA as other agencies are not as familiar with the various boundaries. Your neighbor may not be right.

For additional information, please contact RITA at 1-800-860-7482

General Office Updates

The December 31, 2019, year-end has been closed and reports distributed. We were able to accommodate a request from the CE Harris staff to come out last week to begin our audit to help fill their schedule. This is a great way to get a jump start on things in advance of the GAAP Statements being completed over the coming months.

The first draft of the Official Statement that is being updated in advance of the borrowing for the meter project was submitted to bond counsel on Friday. In addition to this issue, it should then be ready for any existing debt refinancing that is done in the fall. Moody's should look favorably on our new submissions as we have shown a second year of growth in strengthening our financial position in the General Fund as well as utility funds. The new debt for the meters will be considered a positive in our rating as the previously unbilled usage will be used to cover the debt payment as well as monies to use toward upcoming needs.

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2020 Budget First Reading

The initial draft of the 2020 Budget and Certificate of Estimated Resources was provided on January 28 is up for First Reading this evening. Key point to note is that the General Fund is presenting a balanced budget at this point that will continue to contribute to our long-term stability. All funds are budgeted within the Certificate of Estimated Revenue for the year.

Medical insurance costs show an increase across the board as self-funded reserves were used to pay the majority of the 2019 premiums due the reduction in rates. The rate increase for 2020 is 9%. New three-year collective bargaining agreements took effect for all police department personnel. The terms from these agreements, based on historical trends, has been used to project all personnel costs for 2020 in order to provide an initial budget that is a realistic as possible.

The pool operating expenses and revenue have been included in this budget as presented. Once the final determination is made, half of those costs will be allocated to come from the Parks Operating Levy.

The Port Authority budget, like last year, has been reduced to fit within revenue estimates based on continuation of last year's high-water conditions. Adjustments (+/-) will be made as the season progresses.

After meeting review with the Mayor and Service Director, a list of capital projects has been prioritized. The initial estimated costs were used to determine what work would be able to be funded but will not be included in the budget until approved by Council and bids obtained.

CITY ENGINEER'S REPORT:

C. Howard reported there is a motion under 'New Business' to authorize the administration to go out to bid for the Sanford Street Water Main Replacement Project. This project will replace 2,400 feet of 6" water line from Hollyview to Northview Court. This project will need to be completed before the Safe Routes to School Project starts, which is tentatively scheduled for July. Also, he conveyed there is a first reading for Ordinance 2020-6, which is for the City-Wide Water Meter Replacement Project. The bid was received from Neptune Equipment Company for \$2,041,799.50. He recommended having a representative attend the Utilities meeting on February 10 to answer questions or concerns about the project. He said the goal is to complete this project by November 1, 2020.

B. Brady asked what the estimate was on the Sanford Water Line Project and C. Howard said to keep the bid competitive he will email this to Council. The money is allocated for this project.

LAW DIRECTOR'S REPORT: No report.

RESPONSE TO THE AUDIENCE:

Mayor Forthofer addressed comments to Council from the December 2, 2019 meeting by Mr. and Mrs. Winningham. Mr. & Mrs. Winningham, owners of Lucky Duck Sweepstakes Café, met with the Service Director, Building Inspector and me as planned on December 4th. The Winningham's detailed the behavior that they would like the City to investigate in exchange for a tax rate increase on gaming machines.

First, to make things clear, enforcement of laws is not negotiated in exchange for paying a tax increase. They are independent matters determined by their own merits. Enforcement of all legislation is applied universally regardless of who pays how much in taxes.

In the meeting with the Winningham's on December 4, the Administration tried to sort out which alleged infractions of another sweepstakes café in Vermillion are the responsibility of the City Building Department and which fall under the Vermillion Police Department.

They determined that most of the alleged infractions were the concern of the VPD. Subsequently, the Building Department representatives and I met with Chief Hartung and Det. Sgt. Davis.

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Many of the gaming regulations originate at the State level. To seek clarification, we are trying to arrange a meeting with County level prosecutors and state contacts to help us better understand the State laws. VPD experience in past Sweepstakes Café law enforcement is that an arrest or citation is one thing. Prosecution is another.

Since the visit by the Wingham's, it appears a third Sweepstakes Café by a third owner is going through the application process.

The Sweepstakes Café enforcement issue are a concern among all communities that have them. He said he will not discuss the details of sweepstakes unit investigations other than we are moving forward.

OPEN TO THE AUDIENCE:

Homer Taft of 3972 Edgewater addressed the proposed water meters before City Council and said he was surprised there was a special council meeting where they authorized the administration to go out for bid for this project, which was passed by emergency. He addressed his concerns to the mayor and some members of Council. He thanked the mayor for being responsive in explaining their thinking. However, he was concerned the city was moving quickly and he would hope Council would take the opportunity to take a careful look at this, along with the administration, as \$2 million is a lot of money. He said there is a lot of infrastructure needs that aren't being met; starting with sanitary sewers, water lines, storm sewers, and streets. He doesn't doubt that there's many water meters that are underreporting. With that said, mathematically out of the 30% or 40% of loss water, this only accounts for about 10%. Water can be lost from leaking pipes and other things. So, infrastructure becomes a major issue and a major part of this. He truly wonders if it's the indication that every water meter is failing. If he takes the mayor's last report – 74% of the meters are over 15 years old, but they're talking about meters with a 20-year life. Are the meters that are less than 15 years old performing the same? Would the city be better off replacing 25 or 50% of the meters to see how this works before committing to the rest? Would the city be better off doing the large commercial meters first? He thinks these are the questions they really need to give a considerable amount of thought to before they commit to \$2 million. He appreciates it went out to bid – it went out in a hurry, but he thinks the city needs to slow down and think about this. If you can save one million and get most of the benefit, why not do this? So, he thinks the city needs to be sure.

He said in hearing about the sweepstakes and the transient fees it reminds him of an old Ronald Reagan saying – "If you see something move, tax it and if it keeps moving, tax it some more". He's worried that this is what the city is doing. What's the justification for special taxes on these people? Why should they pay more tax than what the other businesses are paying in taxes? He hopes Council is looking at this and is questioning this. He knows people are concerned about sweepstakes, but the fact is – they exist. He doesn't like gambling either, but they exist and if the city wants to drive them out to the townships and other places... If you want business and income tax, and valuable property in the city – if it's legal than they should be able to do this. If they break the law, then the law should be enforced. With regards to transient taxes, he thinks the city should take another look at this as he would hope they would think carefully about the fact that this is a tourist community that lives on summer rentals. If they drive this away or take the attitude of not allowing Airbnb's and putting an impediment in their way, then he thinks they should look carefully at what they require for registration, taxation and inspection because they could shoot the golden goose.

He addressed the infrastructure and hopes the city takes a much more serious look at the bad state of the city's sewers and water. He thinks they should address this before putting a road over it and then tear it up. He hopes they plan to do things where they reconstruct everything, and that they don't just put lipstick on the roads; particularly the more used roads. He doesn't want to see the city go over a bad base with new asphalt, but to look at replacing the base, sewers, and water lines. He said the city needs to do it right the first time because it will last 25 years.

As for the community pool, his personal opinion is that he would wish the city wouldn't spend one more red cent of public money. It's a pool past its life and a pool that doesn't serve the majority of the community and it's not accessible easily to everybody. It seems to have limited use. He's not saying they shouldn't have a community pool – it's a question that needs to be looked at. The city is a tourist summer town, but he thinks doing a pool that is only open 80 or 90 days a year, and a lot of that depends on bad weather. If they could have a six-month, a nine-month, or a 12-month pool, they might have more of an

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advantage, and if it was a larger and more-usable pool, then a lot more people could access it and use it, and it would be more of a benefit to the property values in the community and the attractiveness of the community, and the residents of the community. It almost might be more supported financially by the community. He hopes the city will not just invest in this pool, which others feel is not a very good pool. This is another lipstick on the pig kind of issue. If they're talking about \$100,000 of capital improvement on something that is not a good pool, then why are they doing it. If they're spending \$30,000 or \$40,000 a year to subsidize the pool because a lot of people don't want to use it, then why are they doing it. He hopes City Council asks these questions.

As to the parks, many know he has spoken about the city's beaches and he does want to see Main Street Beach developed and Showse Park and the beach developed and restored and protected. More so than Sherod Park because Sherod Park isn't in the city, so he would wonder why they spend money outside the city on property when they don't even take care of the property they have in the city.

NEW BUSINESS:

S. Herron MOVED; M. Stark seconded to approve the Mayor's appointments of Jeff Hammerschmidt, Heidi Backus Riddle, Bill Gross, and Philip Laurien to the various boards and conditions as conveyed under 'Correspondence'. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

S. Holovacs MOVED; F. Loucka seconded to authorize the administration to go out to bid for the Sanford Street Water Main Replacement Project. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

S. Holovacs MOVED; F. Loucka seconded to authorize the administration to go out to bid for sludge hauling. Roll Call Vote 6 YEAS. **MOTION CARRIED.**

Reading of the Ordinances:

Third Reading – Ordinance 2019-67: AN ORDINANCE AMENDING SECTION 878.04 (a) & (c) ENTITLED "LICENSE FEES" OF CHAPTER 878 ENTITLED "SWEEPSTAKES TERMINAL CAFES" OF THE CODIFIED ORDINANCES OF VERMILION, OHIO AND DECLARING AN EMERGENCY.

F. Loucka MOVED; S. Holovacs seconded to adopt this ordinance by emergency. Discussion: B. Brady said she has a problem supporting this ordinance because they're picking on one business and doesn't see taxing them more makes sense, so she won't support it for this reason. S. Herron said he fundamentally agrees in the sense that it's a legitimate business and they have a right to be in the city and conduct business. However, there are businesses that do require an additional amount of enforcement and he doesn't think these increases are outside the realm of what other communities are requesting, and he doesn't think they are prohibitive, so he does support the increase in the license fee. Roll Call Vote 3 YEAS (Loucka, Stark, Herron); 3 NAYS (Holovacs, Brady, Skahen). **MOTION FAILED.**

Second Reading – Ordinance 2020-2: AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF VERMILION TO ENTER INTO A MEMORANDUM OF AGREEMENT WITH THE ERIE SOIL & WATER CONSERVATION DISTRICT FOR THE ERIE COUNTY NPDES SMALL MS4 PROGRAM AND DECLARING AN EMERGENCY.

First Reading – Ordinance 2020-3: AN ORDINANCE PURSUANT TO SECTION 1240.02 OF THE CODIFIED ORDINANCES OF VERMILION GRANTING A LAND USE (ZONING) VARIANCE TO ZACHARIA SAFOS IN ORDER TO ALLOW FOR A RESIDENTIAL USE ZONING VARIANCE IN THE I-1 LIGHT INDUSTRIAL DISTRICT, LOCATED AT 2075 LIBERTY AVENUE, VERMILION, OHIO. (Public Hearing scheduled for March 2, 2020 @ 7pm)

First Reading – Ordinance 2020-4: AN ORDINANCE AUTHORIZING ALL ACTIONS NECESSARY TO ACCEPT NORTHEAST OHIO PUBLIC ENERGY COUNCIL (NOPEC) 2020 ENERGIZED COMMUNITY GRANT.

First Reading – Ordinance 2020-5: AN ORDINANCE TO MAKE APPROPRIATIONS FOR CURRENT EXPENSES AND OTHER EXPENDITURES FOR THE CITY OF VERMILION, OHIO FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020, AND DECLARING AN EMERGENCY.

First Reading – Ordinance 2020-6: AN ORDINANCE AUTHORIZING AND DIRECTING THE MAYOR OF THE CITY OF VERMILION, OHIO TO ENTER INTO A CONTRACT WITH NEPTUNE EQUIPMENT COMPANY OF CINCINNATI, OHIO FOR THE CITY-WIDE WATER METER REPLACEMENT PROJECT; AUTHORIZING THE FINANCE DIRECTOR TO MAKE PAYMENT TO SAID AWARDEE IN AN AMOUNT NOT TO EXCEED TWO

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MILLION FORTY-ONE THOUSAND SEVEN HUNDRED SEVENTY-NINE DOLLARS AND FIFTY CENTS (\$2,041,779.50) AND DECLARING AN EMERGENCY. (Referred to the February 10 Utilities Meeting)

Second Reading – Resolution 2020R-2: A RESOLUTION AUTHORIZING THE MAYOR OF THE CITY OF VERMILION, OHIO TO ACCEPT THE TERMS AND CONDITIONS OF A CERTAIN AGREEMENT WITH THE STATE OF OHIO DEPARTMENT OF NATURAL RESOURCES RELATIVE TO THE ALLOCATION OF FUNDS FOR THE MAINTENANCE OF A MARINE PATROL AND DECLARING AN EMERGENCY.

Announcement of Meeting Dates:

February 10, 2020 – Vermilion City Council Committee Meetings (All) – 7pm
February 17, 2020 – Presidents Day – City Offices Closed
February 24, 2020 – Vermilion City Council Meeting – 7pm

Adjournment:

Upon no further business coming before the body, Steve Herron, President of Council adjourned the Vermilion City Council meeting.

Transcribed by: Gwen Fisher, Certified Municipal Clerk